

RIPEY POINTS PERIL OF ROADS INDRASTIC LAWS

Burden of Governmental Control, He Says, Is Positive Menace.

ATTITUDE OF LABOR SECOND BIG PROBLEM

A warning to railroad stockholders by President E. P. Ripley of the Atchafalaya, Toledo and Santa Fe Railway that their interests are more endangered by present governmental regulations than from any other source, with the attitude of the labor organizations "a vigorous second in the menace of the times" is the keynote of the annual report for the company.

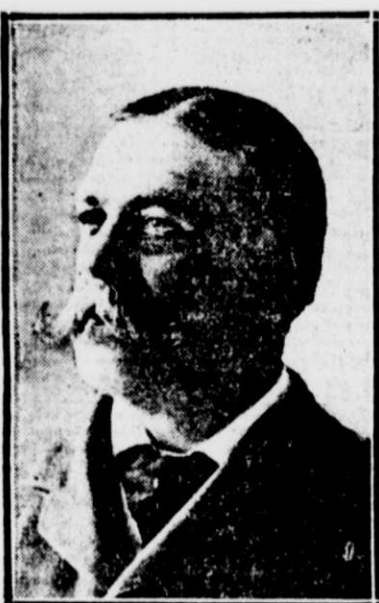
"Under these conditions," says President Ripley in summing up the logical result of the Government and labor agitation against the railroads, "it is the intention of your directors to make no additions or betterments, however desirable, which can not be paid for out of current earnings and to continue the policy of incurring no floating debt."

"Your directors deem it their duty to warn stockholders that their interests are more endangered by the various governmental regulations than from any other source. It has been found almost impossible to make even an approximate estimate of the cost of regulation, which has been imposed on us by the State and national governments. Constant whittling of rates, plus constant legislation, which adds to your expenses without adding to revenue, have had their inevitable effect.

"There are some evidences of a disposition on the part of those in authority to realize that great injustices have been done in the guise of regulation and that it is time to call a halt, but the relief which the railroads need cannot come until this disposition shall be translated from mere expressions of friendly sentiment into remedial measures. General words of sympathy will accomplish nothing if governmental agencies continue in each specific instance to impose additional burdens or to find excuses for not granting specific relief.

Attitude of Labor.

"The threatening attitude of the labor organizations must not be left to rest as a vigorous second in the menace of the times. Your company has always shown



E. P. Ripley.

the utmost consideration for its employees and as a class they are a credit to themselves and to the road. Left to themselves there would be little of which to complain, but the organizations, as a body have been aggressively demanding increased wages for their members with no regard to the ability of their employers to pay, and have steadily increased, and frequently with menacing, many varieties of legislation, such as full crew bill, designed to increase operating expenses. Between the repressive forces of Government and the demands of organized labor it is evident that the sum remaining as the share of invested capital is in serious danger.

"Special attention is called to the menacing increase in the taxes imposed upon railroad property. Your company's taxes for the year 1914 were \$5,525,585.39. This represents more than 14 1/2 per cent of the total net income of the company, had available for the payment of taxes, interest, dividends, etc. Your company's taxes have increased 188 per cent, in the last ten years.

Says Railroads Bear Burden.

"The principal cause, which continues in apparently increasing force, is the disposition to increase public expenditures shown by practically all governmental agencies. Governmental agencies generally counsel the railroads to increase their economies and to improve their efficiency, and stern necessity, even if there were no other motive, has forced the railroads to do this. But there is nothing to indicate that the governmental agencies themselves have practiced what they have preached in this respect. The evidence of extravagance in all grades of governmental activity are very numerous and the evidences of governmental economies are exceedingly rare. The result is proving dangerous, burdensome to the railroad properties of the country.

President Ripley emphasizes "the striking fact that the total net income is now barely in excess of 5 per cent per annum upon the investment. Some of this must be spent for additions and betterments."

"The ability of your company under these conditions to pay 6 per cent, on the common stock is explained," he says, "by the fact that it pays an average of very little more than 4 per cent on its bonded debt, much of the bonded debt having been created when money could be borrowed at or near 4 per cent. But for several years it has been impracticable to borrow large amounts of money for railroad purposes at as low a rate or even as low as 4 1/2 per cent, and under present conditions it is believed the rate of interest which would have to be paid would be substantially greater."

Nothing Added to Surplus.

The striking feature of the income account for the year ended June 30, 1914, is that not a cent was carried over from earnings to capital surplus. After payment of dividends and special reserve funds, the balance of \$2,719,817 was appropriated for additions and betterments. Net operating revenue was \$20,183,964, against \$22,153,724 for the previous year. Gross operating revenue was \$111,109,769, a decrease of \$5,785,482.

Divorce for Mrs. Bernhard Zahn.

Supreme Court Justice Gleicher granted a divorce yesterday to Mrs. A. D. Zahn, wife of Bernhard Zahn, who is interested in the Sayles-Zahn string of butcher shops and the Walton Hotel of Philadelphia. In addition to the decree Mrs. Zahn retains a \$20,000 income, policy on her husband's life and is to receive \$5,000 a year alimony.

Benjamin Strong, Jr., Made Reserve Bank's Governor

President of Bankers Trust Company Picked for Big Federal Post Here by Directors—Is 42 Years Old—Brilliant Record of Achievement.

TAKING OF POST MEANS BIG MONEY SACRIFICE

Benjamin Strong, Jr., president of the Bankers Trust Company, was elected yesterday governor of the Federal Reserve Bank of New York. He will be the executive officer and manager of the institution. The election of Mr. Strong was the first work of the directors of the New York Reserve Bank at their first regular meeting, which was held yesterday in the Bank of the Manhattan Company. All of the nine directors of the board were present except William Woodward, president of the Hanover National Bank.

As governor of the New York Reserve Bank Mr. Strong will occupy one of the most important positions in the Federal reserve system. The bank, which will of course be the largest in the country, will have a capital of about \$20,000,000. Mr. Strong will be the active director of the business done by the bank. His most immediate duties now are to devise methods of administration, divide the staff into departments and organize the staff. Mr. Strong is chairman of the bank and Federal reserve agent, will have as his duties chiefly the representation of the Federal Reserve Bank at Washington.

Mr. Strong is not a member of the board of nine directors. He will sit with the board, take part in its councils in an advisory capacity, but will have no vote. His election met with the cordial approval of the financial community, as he is recognized as a leader among the younger bankers in Wall Street. He is 42 years old.

Action Came as Surprise.

Mr. Strong has not yet resigned as president of the Bankers Trust Company. He will do so as soon as the board of directors of the company make arrangements for his successor. It is understood that the board will meet soon.

Officers of the trust company were greatly surprised yesterday when informed during a brief absence of Mr. Strong from the bank that he had practically resigned to take up the governorship of the Federal Reserve Bank here. The action of the reserve bank board had been taken quickly and few outside of Mr. Strong and the members of the board were aware of what was being done. It is thought likely that one of the vice-presidents of the trust company will succeed to the presidency.

Pierre Jay, chairman of the board of the Federal Reserve Bank, in announcing the election of Mr. Strong, said yesterday: "The directors feel that they have been extremely fortunate in securing for this position a man of Mr. Strong's character, ability, and experience. He is active in the public interest and willing to make a considerable personal sacrifice to undertake the work."

Mr. Jay would not discuss this personal sacrifice further, and refused to state salary that the New York board has agreed upon for Mr. Strong. Mr. Strong also declined to talk of this matter. In other banking quarters it was said that Mr. Strong would receive less than his new place as head of the Bankers Trust Company. The rate of compensation for big trust company presidents is commonly reported in Wall Street to be not less than \$50,000 a year, with bonuses and other additions aggregating in the neighborhood of \$50,000 more.

Banking Quarters Not Selected.

The Federal Reserve Board failed to elect the New York member of the Federal Advisory Council. The board also reached no conclusion on the selection of a bank for the New York institution. It is understood that the Chase National Bank quarters, soon to be vacated by that bank, are being considered, though probably too small for use of the Federal Bank. The new Equitable Building, it is understood, is also under consideration.

Directors yesterday would not comment on the statement by Gov. Hiram S. Boyd of the Federal Reserve Board that the new system will be open for business on November 4. It was noticeable, however, that Mr. Strong was winding up his affairs in his present work with all speed, conscious of the great amount of work to be done in getting the new system ready for quick action.

It is practically decided that Charles Stark, national bank examiner for New York and deputy chairman and Federal Reserve agent of the New York Reserve Bank, will continue to hold the national bank examinership. Directors of the bank said yesterday that there was nothing in the statutes against this and that moreover the holding of the two positions was a desirable arrangement. As national bank examiner for this district Mr. Stark, it is generally understood, re-



Benjamin Strong, Jr.

ceives between \$20,000 and \$30,000 in yearly returns.

Mr. Strong will resign all his corporate directorships. He does not have to do so under the law. Such resignations will include the trusteeship on the board of the Seamen's Bank for Savings, which means the severing of an old family tie. Mr. Strong's great-grandfather was the first vice-president and the second president of the institution.

The other financial institutions from which Mr. Strong will resign are the Astor Trust Company and the Commercial Trust Company of Philadelphia. The remaining corporations from whose boards he will resign are the American Light and Traction Company, the Seaboard Air Line, the Rock Island Company, the Commonwealth Power, Railway and Light Company, the Electric Bond and Share Company, the Foundation Company, International Agricultural Corporation, International Nickel Company, International Paper Company, National Supply Company, McIntire Iron Company and the Seaboard Railway, Unincorporated.

Mr. Strong was born on December 22, 1872, at Fishkill-on-the-Hudson. He received a common school education. In 1891 he entered the office of Jessup, Patton & Co. as a clerk. This firm later became John Patton & Co., then Cuyler, Morgan & Co. The late Morris K. Jesup was the chief figure in the firm. Nine years later, at the age of 28, Mr. Strong was elected assistant secretary and later secretary of the Atlantic Trust Company. When this was merged with the Metropolitan Trust Company in 1903 he was made secretary of the latter company.

In 1904 he went to the Bankers Trust Company as secretary. He was elected vice-president of the company six years later. On the retirement of E. C. Converse from the presidency Mr. Strong was elected president on January 1 of this year. His rise in financial affairs has been rapid and convincing. He has taken a leading part in the formation of the \$100,000,000 gold pool and other war financials.

RICHMOND ORGANIZES.

WASHINGTON, Oct. 5.—The directors of the Richmond Bank met today and sent a telegram to the Reserve Board which read in part: "We have the honor to announce that the Federal Reserve Bank of Richmond has been duly organized by the adoption of by-laws, election of George J. Seay as governor, appointment of James A. Monroe as secretary, the election of the executive committee consisting of William Ingle, Federal Reserve Board; George J. Seay, governor, and Col. John P. Bruton, Claude A. director."

The Federal Reserve Board announced the selection of the Class C directors for the respective banks of San Francisco and Dallas, Tex. They are:

Dallas: E. O. Tompkins, Federal Reserve agent and chairman of board of directors; W. F. McCall, deputy Federal Reserve agent and vice-chairman of the board of directors, and Felix Martinez, director.

San Francisco: John Perrin, Federal Reserve agent and chairman of board of directors; Claude Gatch, deputy Federal Reserve agent and vice-chairman of the board of directors, and Charles E. Peabody, director.

URUGUAY STARTS IN TO BUY U. S. GOODS

Orders Placed Here for Hardware and Glassware on Satisfactory Terms.

COUNTRY ON A GOLD BASIS

Consul-General Riehling of Uruguay announced yesterday that American manufacturers have sold to merchants of his country a quantity of glassware and hardware. Uruguay formerly bought such goods exclusively from Germany. The sales were made on terms satisfactory to both buyers and sellers.

"They have not been large orders," said the Consul-General, "but they are first steps which may take the two countries a long way."

Uruguay, as he explained, is the only South American country exclusively on a gold basis and its finances to-day are in better condition than any other country on the continent. Its paper money is based on the gold dollar, which has a higher intrinsic value than the gold dollar of the United States. The reserves of the Banco de la Republica are 26 per cent, higher than required by law. It took advantage of a ten day moratorium simply in order to obtain an understanding of the situation, and it is now ready to do a big business with the United States.

"My country is not a country of speculators," Consul-General Riehling went on. "Farming, cattle raising and sheep raising are the industries here. There are 1,000,000 population and 8,000,000 cattle. Much of the frozen beef that you get in this country as coming from Argentina really comes from Uruguay. Only the other day 5,000 tons of beef arrived at the port of New York. It never landed here. France bought it up and shipped it abroad. The purchases of France are enormous. In another purchase they took from New York 80,000 quarters of Uruguayan beef, for their soldiers' use on fresh meat."

"We want to sell our hides, our meat and our wool to the United States, and we want to buy everything that can be used by us. You have started with your glassware and hardware. Now keep it up."

NEWS OF TRADE FIELDS. DOMESTIC AND FOREIGN

Broomhall's reports of the grain exported from North America to England and the Continent last week was wheat, 10,000,000 bushels; corn, 25,000,000 bushels; and oats, 4,000,000 bushels. The wheat shipment is the largest that has gone out any week during the war.

The Becker Steel Company, a German concern, has bought the old Baldwin Steel Works at Charleston, W. Va. This step has been rendered necessary by the fact that the company's home plant at Wilhelmshafen is unable to do business and the company will hereafter supply its trade with tool steel from the United States.

The Postmaster-General has announced that he has under contemplation a plan for extending the 2 cent postage zone to all the countries of the Western Hemisphere. Two cents is now the rate between the United States and Great Britain, Mexico, Cuba, Canada and Germany. It is also hoped to conclude conventions whereby the rate may be cheaper exchange of money orders between the countries mentioned.

Export orders for men's underwear continue to come in daily. A half dozen large mills are now working full time making underwear for foreign armies. A fleece mill which has been idle for some time has started up and there is talk of overtime in many quarters.

The United States Steel Corporation has reported that the export business is now about equal to normal conditions. The loss of German trade being equalled by the increased demand from other countries. Among the larger orders reported are 6,000 to 10,000 tons of wire rods for spheres, 200,000 tons of steel in shapes and plates with 50,000 tons of rails. The allies are buying steel sheets to be used in constructing winter shelters for the soldiers in the field.

The National Association of Credit Men in its October letter to members sounds this pertinent note:

"Principles of sound business and of thrift and the importance of keeping conditions well in hand are apt to strike home with little force when business is running normally, but that it pays to keep one's house in order all the time was brought emphatically to mind when Europe was set on fire with war. The houses which have not had in charge of their merchandising buyers who have carefully guarded against overstocking the houses that have not maintained a proper ratio between merchandise stocks and sales and have

fallen into the habit of borrowing or holding up creditors in order to carry an unnecessary load of merchandise are finding themselves now in a weak position. A policy of liquidation must be adopted by or forced upon such houses and a sound credit relationship imposes the duty of advising with and assisting debtors whose purchases of merchandise have been on an overplus scale. One of the best ways to relieve the money market of the strain is to get a right relation between stock on hand and sales."

The A. H. Lamborn Company has this to say of the sugar situation: "The past week has proved the most featureless of the year both in raw and refined sugar. A deadlock has existed between buyers and sellers on raws, due to the fact that sellers have finally realized that the limited domestic demand for refined sugar has been of such small proportion in itself as not to warrant refiners in increasing their stock at present, and while there has been a steady inquiry from many foreign sources for refined sugar Great Britain has been the only continuous buyer. The amounts purchased by Great Britain during the past week are variously estimated at from 8,000 to 12,000 tons, most of which business was done on the basis of 5.20 to 5.25 net cash in hand for refined sugar during the past month and continued delays in arrivals of these sugars will cause her to call more urgently on the United States for refiners."

"England is depending for her future supplies of refined sugar on purchases of Java and Mauritius made during the past month and continued delays in arrivals of these sugars will cause her to call more urgently on the United States for refiners."

"If our meetings to December 1 are to be no greater than last year, when there was little if any demand for export, we will urgently need the balance of imported stocks in New York in order to take care of our meetings for December and allow for anything like a basis of supplies on January 1, but should the foreign demand for refined sugar continue on the basis of 20,000 to 40,000 tons per month, as expected from Great Britain alone, without considering the possibilities of the needs of France, Portugal, Greece, South and Central American countries, it is plainly evident that the United States must draw more heavily than in any previous year at the same period on new crop domestic beets now about ready for marketing."

Big Silk Mill Reopens.

FRANKLIN, N. J., Oct. 5.—Frost & Van Riper reopened their silk mill here this afternoon. The mill has been closed since last spring. The company has installed all new machinery in its local plant, and about 100 hands were given employment at the reopening.

Customs Receipts \$531,342.17.

The total receipts yesterday at the Custom House for duties were \$531,342.17, of which \$129,584.47 was for merchandise withdrawn from bonded warehouses and \$401,957.70 for recent importations.

Snake Causes Traffic Blockade.

Traffic was interrupted for half an hour yesterday morning at Third avenue and 145th street, The Bronx, because a garter snake, about 4 inches long, happened to find its way to the street. There was much confusion among the crowd of 2,000 until Policeman Campbell took the snake, put it into a box, and carried it away.



The glass of fashion reflects four models in youths' suits this season.

Every one a fashionable type, but appealing to youths of widely varying tastes.

One is rather close-fitting, coat has soft rolling pointed lapels.

Another is what we call a "regular" model—quite conservative.

The other two are "in between"—not too conservative nor yet too extreme.

Cut in a wide range of handsome imported and domestic fabrics.

Youths' suits—32 to 35 chest.

\$16 to \$32.

"Parkas" solve the problem of what to wear in an Outdoor School.

An adaptation of the well-known "Parka" of the Eskimos.

Retains all the bodily heat and resists the coldest winds.

ROGERS PEET COMPANY

Three Broadway Stores

at Warren St. 13th St. 34th St.

at 10th St. 13th St. 34th St.

at 10th St. 13th St. 34th St.

at 10th St. 13th St. 34th St.

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Burlington Arcade

The MEN'S STORE, Broadway at Ninth.

MEN'S REDLEAF COATS ARE HERE

From London

The inimitably-cut topcoats that young men like most of all topcoats.

Light, medium and heavy weights.

Brutish fabrics, was one man's comment when he saw one of the coats. But there was a style in the coat which held him and he bought it.

The materials are all very protective—box cloth, tweeds, chevots, homespuns, fine whitenes, fleecy fabrics; greens, heather grays, dark blues, sumac, and a score of color-effects you never see except in a REDLEAF topcoat.

Among them is a coat King Edward VII. especially liked.

Motoring, football, REDLEAF—they all go together.

\$27.50, \$35, \$40.

Burlington Arcade floor, New Building.

John Wanamaker

AMUSEMENTS.

These New York Leading Theatres Have No Dealings with the Tyson Co.

EMPIRE 4th St. E. of B'way. Eves. 8:30. Mat. 2:15. Sat. 2:15. Sun. 2:15. **JOHN DREW WEEKS** in **The Prodigal Husband**

LYCEUM 45th St. E. of B'way. Eves. 8:10. Mat. 2:15. Sat. 2:15. Sun. 2:15. **THE BEAUTIFUL ADVENTURE**

Kaibickoer, B'way, 39th St. E. of B'way. Eves. 8:30. Mat. 2:15. Sat. 2:15. Sun. 2:15. **SANDERSON BRIAN CANTHONY** in **THE GIRL FROM UTAH**

GEORGE COHAN'S THEATRE, B'way & 43d St. Eves. 8:30. Mat. 2:15. Sat. 2:15. Sun. 2:15. **THE PASTORAL ADVERTISE**

FULTON 46th St. E. of B'way. Eves. 8:30. Mat. 2:15. Sat. 2:15. Sun. 2:15. **TWIN BEDS**

HUDSON 44th St. E. of B'way. Eves. 8:30. Mat. 2:15. Sat. 2:15. Sun. 2:15. **THE HEART OF A THIEF**

GLOBE Theatre, 212 E. 11th St. Eves. 8:15. Mat. 2:15. Sat. 2:15. Sun. 2:15. **CABIRIA**

ASTOR THEATRE, B'way & 45th St. Eves. 8:30. Mat. 2:15. Sat. 2:15. Sun. 2:15. **THE PLAY THE WHOLE**

THE MIRACLE MAN

CANDLER THEATRE, West 42d St. Eves. 8:30. Mat. 2:15. Sat. 2:15. Sun. 2:15. **THE PRINCE OF INDIA**

PARK THEATRE, MON. OCT. 12

MRS. PATRICK CAMPBELL

"PYGMALION"

SEATS ON SALE THURSDAY. MAIL ORDERS NOW.

HAMPSHIRE THEATRE, 215 E. 15th St. Eves. 8:30. Mat. 2:15. Sat. 2:15. Sun. 2:15. **LEXINGTON**

THEATRE, 40-41st St. E. of B'way. Eves. 8:30. Mat. 2:15. Sat. 2:15. Sun. 2:15. **"A PRINCE OF INDIA"**

SUPERB ORCHESTRA—OPERA EXCERPTS

CENTURY OFFER! Central Park House, West 63d St. Eves. 8:30. Mat. 2:15. Sat. 2:15. Sun. 2:15. **THE PRINCE OF INDIA**

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